

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

AND

COMMONWEALTH OF KENTUCKY

DEPARTMENT OF FINANCIAL INSTITUTIONS

FRANKFORT, KENTUCKY

)	
In the Matter of)	AMENDMENT
)	TO AMENDED
LOUISA COMMUNITY BANK)	CONSENT ORDER
LOUISA, KENTUCKY)	
)	FDIC-14-0321b
(KENTUCKY CHARTERED)	2014-AH-128
INSURED NONMEMBER BANK))	
)	

The Federal Deposit Insurance Corporation ("**FDIC**") and the Department of Financial Institutions for the Commonwealth of Kentucky ("**KDFI**"), issued an AMENDED CONSENT ORDER against Louisa Community Bank, Louisa, Kentucky ("**Bank**") dated January 29, 2016 ("**AMENDED ORDER**"). The FDIC and the KDFI have determined that it is now necessary to amend the AMENDED ORDER to address three serious new conditions and deficiencies.

The Bank, having already been advised of its rights to a NOTICE OF CHARGES AND OF HEARING detailing the additional unsafe and unsound banking practices alleged to have been committed by the Bank, and of its right to a hearing on those charges under section 8(b) of the Federal Deposit Insurance Act ("**Act**"), 12 U.S.C. § 1818(b), and under section 286.3-690 of the Kentucky

Revised Statutes, Ky. Rev. Stat. Ann §§ 286.3-690 (Michie 2006), regarding hearings before the KDFI, and having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN AMENDMENT TO AMENDED CONSENT ORDER ("**STIPULATION**") with the representatives of the FDIC and the KDFI, dated August 11, 2016, whereby, solely for the purpose of this proceeding and without admitting or denying the additional charges of unsafe and unsound banking practices alleged, the Bank consented to the issuance of an AMENDMENT TO AMENDED CONSENT ORDER ("AMENDMENT ORDER") by the FDIC and the KDFI.

The FDIC and the KDFI considered the matter and determined that the requirements for issuance of AMENDMENT ORDER under 12 U.S.C. § 1818(b) and section 286.3-690 of the Kentucky Revised Statutes, Ky. Rev. Stat. Ann §§ 286.3-690 (Michie 2006), have been satisfied. The FDIC and the KDFI therefore accepted the STIPULATION and now **HEREBY ORDER** that the AMENDMENT ORDER be and hereby is issued to require the Bank, its institution-affiliated parties, as that term is defined in section 3(u) of the Act, 12 U.S.C. § 1813(u), and its successors and assigns, to take the following additional affirmative actions:

BOARD APPROVALS

1. During the life of this AMENDMENT ORDER, the Bank shall not add any personnel or change the duties of any current personnel without the prior approval of a majority of the

- board of directors ("**board**"). The board's approval shall be set forth in the minutes of the meeting where such changes are approved with any dissenting votes noted.
2. During the life of this AMENDMENT ORDER, the Bank shall not pay any expenses for any services provided to the Bank or for the benefit of the Bank, without:
- a. Being in receipt of a written contract or estimate for the service(s) to be provided; and
 - b. Prior approval of a majority of the board. The board's approval shall be set forth in the minutes of the meeting where such expenses are approved with any dissenting votes noted.
3. During the life of this AMENDMENT ORDER, the Bank shall not originate a loan, renew a loan, or purchase a participation in any loan, without the prior approval of a majority of the board. The board's approval shall be set forth in the minutes of the meeting where such loans are approved with any dissenting votes noted.
4. Following the effective date of this AMENDMENT ORDER, the Bank shall send to its shareholders a copy of this AMENDMENT ORDER: (a) in conjunction with the Bank's next shareholder communication; or (b) in conjunction with its notice or proxy statement preceding the Bank's next shareholder meeting.

CLOSING PARAGRAPHS

The effective date of this AMENDMENT ORDER shall be the date of issuance by the FDIC and the KDFI.

The provisions of this AMENDMENT ORDER shall be binding upon the Bank, its institution-affiliated parties, and any successors and assigns thereof.

The provisions of this AMENDMENT ORDER shall remain effective and enforceable except to the extent that, and until such time as, any provision has been modified, terminated, suspended, or set aside by the FDIC and the KDFI.

All other provisions of the AMENDED CONSENT ORDER, dated January 29, 2016, shall remain in full force and effect except as otherwise modified by this AMENDMENT ORDER.

Issued this day pursuant to delegated authority.

Dated: August 18, 2016.

/s/
M. Anthony Lowe
Regional Director
Chicago Regional Office
Federal Deposit Insurance
Corporation

/s/
Charles A. Vice
Commissioner
Department of Financial
Institutions
Commonwealth of Kentucky